

July 2013 DRAFT

In 2013 we recognize health care is in the upheaval of reform and this agreement, particularly payment reform, will endure ongoing transformation in both the public and private markets.

Payment reform menu to include:

Prepayment tier:

- per member per month
- care coordination fee

Post payment tier:

- enhanced fee for service
- performance bonus
- shared savings

Members of this agreement will use at least one form of payment from each tier in a payment combination amount that reasonably covers ____ % (range?) of the estimated cost of provider transformation for at least two (2) years from the beginning of the provider transformation. Specifics, within these parameters, will be decided upon by each payer and provider contract negotiation.

It is expected that beyond the initial two (2) years providers and payers will negotiate further payment structures that maintain recognition and incentives for PCMH.